

I Introduction

Section 13300 of the Government Code mandated the Department of Finance to develop, install and supervise a modern and complete accounting system for each agency of the State which is permitted or charged by law with the handling of public money. Assembly Bill 3322 (Chapter 1284, Statutes of 1978) reaffirmed this mandate by requiring that a coding system be developed in order to obtain accurate and comparable records, reports and statements of all the financial affairs of the State. This system is the **California State Accounting and Reporting System**, referred to as CALSTARS.

This manual provides guidelines and instructions for using CALSTARS. The manual reflects the financial reporting principles and standards required by the State of California and its control agencies. However, CALSTARS also provides agencies the flexibility to customize the system and its structure to provide the levels of detail needed to fiscally manage their operations.

This volume contains:

- ★ Information on the organization structure and instructions for maintaining the CALSTARS Procedures Manual, Chapter II.
- ★ Overview description of the system objectives and features, and the accounting data processing and reporting features, Chapter III.
- ★ Description of the CALSTARS classification and general ledger structure, Chapters IV and V.
- ★ Instructions for system access and data entry, Chapter VI.
- ★ Instructions for using online file inquiry features, Chapter VII.
- ★ Instructions for preparing all transaction entry documents, Chapter VIII.
- ★ Instructions for online financial transaction entry, Chapter IX.
- ★ Instructions for encumbrance accounting, Chapter X.
- ★ Instructions for preparing claim schedules and using automated claim schedules, Chapter XI.
- ★ Instructions for identifying reportable payments, Chapter XII.
- ★ Instructions for using the office revolving fund and the automated check writer, Chapters XIII and XIV.

- ✧ Instructions for preparing the bank reconciliation, Chapter XV.
- ✧ Instructions for cash receipts, Chapter XVI.
- ✧ Instructions for accounts receivable (to be issued later), Chapter XVII.
- ✧ Instructions for performing the daily batch reconciliation, Chapter XVIII.
- ✧ Instructions for maintaining internal controls, Chapter XIX.
- ✧ Instructions for fiscal records retention, Chapter XX.
- ✧ Instructions for processing automated payables, Chapters XXI-1 and XXI-2.
- ✧ Instructions for using the CalATERS Interface, Chapter XXII.